

General Assembly

Raised Bill No. 5614

February Session, 2016

LCO No. 2689



Referred to Committee on GOVERNMENT ADMINISTRATION AND ELECTIONS

Introduced by: (GAE)

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AN ACT RAISING THE THRESHOLD FOR STATE CONSTRUCTION CONTRACTS REQUIRING THE APPROVAL OF THE DEPARTMENT OF ADMINISTRATIVE SERVICES AND COMPETITIVE BIDDING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- Section 1. Section 4b-52 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
 - (a) (1) No repairs, alterations or additions involving expense to the state of [five hundred thousand] one million dollars or less or, in the case of repairs, alterations or additions to a building rented or occupied by the Judicial Branch, one million two hundred fifty thousand dollars or less or, in the case of repairs, alterations or additions to a building rented or occupied by a constituent unit of the state system of higher education, two million dollars or less, shall be made to any state building or premises occupied by any state officer, department, institution, board, commission or council of the state government and no contract for any construction, repairs, alteration or addition shall be entered into without the prior written approval of the

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14 Commissioner of Administrative Services and notification to the 15 Secretary of the Office of Policy and Management, except repairs, 16 alterations or additions to a building under the supervision and 17 control of the Joint Committee on Legislative Management and repairs, 18 alterations or additions to a building under the supervision of The 19 University of Connecticut. Repairs, alterations or additions which are 20 pursuant to such approval of the Commissioner 21 Administrative Services shall conform to all guidelines and procedures 22 established by the Department of Administrative Services for agency-23 administered projects. (2) Notwithstanding the provisions 24 subdivision (1) of this subsection, repairs, alterations or additions 25 involving expense to the state of [five hundred thousand] one million 26 dollars or less may be made to any state building or premises under 27 the supervision of the Office of the Chief Court Administrator or a 28 constituent unit of the state system of higher education, under the 29 terms of section 4b-11, and any contract for any such construction, 30 repairs or alteration may be entered into by the Office of the Chief 31 Court Administrator or a constituent unit of the state system of higher 32 education without the approval of the Commissioner 33 Administrative Services.

(b) Except as provided in this section, no repairs, alterations or additions involving an expense to the state of more than [five hundred thousand] one million dollars or, in the case of any repair, alteration or addition administered by the Department of Administrative Services, more than one million five hundred thousand dollars, shall be made to any state building or premises occupied by any state officer, department, institution, board, commission or council of the state government, nor shall any contract for any construction, repairs, alteration or addition be entered into, until the Commissioner of Administrative Services or, in the case of the construction of or repairs, alterations or additions to a building under the supervision and control of the Joint Committee on Legislative Management of the General Assembly, said joint committee or, in the case of the

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construction [,] of or repairs, alterations or additions to a building involving expenditures in excess of [five hundred thousand] one million dollars but not more than one million two hundred fifty thousand dollars under the supervision and control of the Judicial Branch, said Judicial Branch or, in the case of the construction [,] of or repairs, alterations or additions to a building involving expenditures in excess of [five hundred thousand] one million dollars but not more than two million dollars under the supervision and control of one of the constituent units of higher education, the constituent unit, has invited bids thereon and awarded a contract thereon, in accordance with the provisions of sections 4b-91 to 4b-96, inclusive, as amended by this act. The Commissioner of Administrative Services, with the approval of the authority having the supervision of state employees or the custody of inmates of state institutions, without the necessity of bids, may employ such employees or inmates and purchase or furnish the necessary materials for the construction, erection, alteration, repair or enlargement of any such state building or premises occupied by any state officer, department, institution, board, commission or council of the state government.

(c) Whenever the Commissioner of Administrative Services declares that an emergency condition exists at any state facility, other than a building under the supervision and control of the Joint Committee on Legislative Management, and that the condition would adversely affect public safety or the proper conduct of essential state government operations, or said joint committee declares that such an emergency exists at a building under its supervision and control, the commissioner or the joint committee may employ such assistance as may be required to restore facilities under their control and management, or the commissioner may so act upon the request of a state agency, to restore facilities under the control and management of such agency, without inviting bids as required in subsection (b) of this section. The commissioner shall take no action requiring the expenditure of more than one million five hundred thousand dollars to

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restore any facility under this subsection (1) without the written consent of the Governor, and (2) until the commissioner has certified to the Joint Committee on Legislative Management that the project is of such an emergency nature that an exception to subsection (b) of this section is required. Such certification shall include input from all affected agencies, detail the need for the exception and include any relevant documentation. The provisions of this subsection shall not apply if any person is obligated under the terms of an existing contract with the state to render such assistance. The annual report of the commissioner shall include a detailed statement of all expenditures made under this subsection.

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(d) The Commissioner of Administrative Services may, during the term of a lease of a building or premises occupied by any state offices, department, institution, board, commission or council of the state government, (1) renegotiate the lease in order to enable the lessor to make necessary alterations or additions up to a maximum amount of five hundred thousand dollars, subject to the approval of the State Properties Review Board, or (2) require that a security audit be conducted for such building or premises and, if necessary, renegotiate the lease in order to enable the lessor to make necessary alterations or additions to bring the building or premises into compliance with the security standards for state agencies established under section 4b-132. Alterations or additions under subdivision (2) of this subsection shall not be subject to the spending limit in subdivision (1) of this subsection, and a renegotiated lease under said subdivision (2) shall be subject to the approval of the State Properties Review Board, provided such approval requirement shall not compromise the security requirements of chapter 60a and this section. The commissioner shall determine the manner of submission, conditions and requirements of bids and awards made for alterations or additions under this subsection. No lease shall be renegotiated under this subsection for a term less than five years. As used in this subsection, "security" and "security audit" have the meanings assigned to such terms in section

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- 113 4b-130.
- Sec. 2. Subsection (a) of section 4b-91 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from* passage):
- 117 (a) (1) As used in this section, "prequalification classification" means 118 the prequalification classifications established by the Commissioner of 119 Administrative Services pursuant to section 4a-100, "public agency" 120 has the same meaning as provided in section 1-200 and "awarding 121 authority" means the Department of Administrative Services, except 122 "awarding authority" means (A) the Joint Committee on Legislative 123 Management, in the case of a contract for the construction of or work 124 on a building or other public work under the supervision and control 125 of the joint committee, or (B) the constituent unit of the state system of 126 higher education, in the case of a contract for the construction of or 127 work on a building or other public work under the supervision and 128 control of such constituent unit.
- 129 (2) Except as provided in subdivision (3) of this subsection, every contract for the construction, reconstruction, alteration, remodeling, 130 131 repair or demolition of any public building or any other public work 132 by the state that is estimated to cost more than five hundred thousand 133 dollars shall be awarded to a contractor who is prequalified pursuant to section 4a-100 and, in addition, any such contract that is estimated 134 135 to cost more than one million dollars shall be awarded to the lowest 136 responsible and qualified general bidder [who is prequalified pursuant 137 to section 4a-100] on the basis of competitive bids in accordance with 138 the procedures set forth in this chapter, after the awarding authority 139 has invited such bids by posting notice on the State Contracting Portal. 140 authority shall awarding indicate the prequalification 141 classification required for the contract in such notice.
- 142 (3) The requirements set forth in subdivision (2) of this subsection 143 shall not apply to (A) a public highway or bridge project or any other

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144 construction project administered by the Department 145 Transportation, or (B) a contract awarded by the Commissioner of 146 Administrative Services for (i) any public building or other public 147 works project administered by the Department of Administrative 148 Services that is estimated to cost one million five hundred thousand 149 dollars or less, (ii) a community court project, as defined in subsection 150 (j) of section 4b-55, (iii) the downtown Hartford higher education 151 center project, as defined in subsection (1) of section 4b-55, (iv) a 152 correctional facility project, as defined in subsection (m) of section 4b-153 55, (v) a juvenile detention center project, as defined in subsection (n) 154 of section 4b-55, or (vi) a student residential facility for the Connecticut 155 State University System that is a priority higher education facility 156 project, as defined in subsection (f) of section 4b-55.

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(4) Every contract for the construction, reconstruction, alteration, remodeling, repair or demolition of any public building or any other public work by a public agency that is paid for, in whole or in part, with state funds and that is estimated to cost more than five hundred thousand dollars shall be awarded to a bidder that is prequalified pursuant to section 4a-100 and, in addition, any such contract that is estimated to cost more than one million dollars shall be awarded to a <u>bidder</u> after the public agency has invited such bids by posting notice on the State Contracting Portal, except for (A) a public highway or bridge project or any other construction project administered by the Department of Transportation, or (B) any public building or other project administered by the Department works Administrative Services that is estimated to cost one million five hundred thousand dollars or less. The awarding authority or public agency, as the case may be, shall indicate the prequalification classification required for the contract in such notice.

(5) (A) The Commissioner of Administrative Services may select contractors to be on lists established for the purpose of providing contractor services for the construction, reconstruction, alteration, remodeling, repair or demolition of any public building or other public

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works project administered by the Department of Administrative Services involving an expense to the state of one million five hundred thousand dollars or less. The commissioner shall use the prequalification classifications established pursuant to section 4a-100 to determine the specific categories of services that contractors may perform after being selected in accordance with this subparagraph and subparagraph (B) of this subdivision and awarded a contract in accordance with subparagraph (C) of this subdivision. The commissioner may establish a separate list for projects involving an expense to the state of less than five hundred thousand dollars for the purpose of selecting and utilizing the services of small contractors and minority business enterprises, as such terms are defined in section 4a-60g.

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commissioner shall invite contractors submit to qualifications for each specific category of services sought by the department by posting notice of such invitation on the State Contracting Portal. The notice shall be in the form determined by the commissioner, and shall set forth the information that a contractor is required to submit to be considered for selection. Upon receipt of the submittal from the contractor, the commissioner shall select, for each specified category, those contractors who (i) are determined to be the most responsible and qualified, as such terms are defined in section 4b-92, to perform the work required under the specified category, (ii) have demonstrated the skill, ability and integrity to fulfill contract obligations considering their past performance, financial responsibility and experience with projects of the size, scope and complexity required by the state under the specified category, and (iii) for projects with a cost exceeding five hundred thousand dollars, have the ability to obtain the requisite bonding. The commissioner shall establish the duration that each list remains in effect, which in no event may exceed three years.

(C) For any public building or public works project involving an expense to the state of one million five hundred thousand dollars or

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210 less, the commissioner shall invite bids from only those contractors 211 selected pursuant to subparagraphs (A) and (B) of this subdivision for 212 the specific category of services required for the particular project. The 213 commissioner shall determine the form of bid invitation, the manner 214 of, and time for, submission of bids, and the conditions and 215 requirements of such bids. The contract shall be awarded to the lowest 216 responsible and qualified bidder, subject to the provisions of sections 217 4b-92 and 4b-94. In the event that fewer than three bids are received in 218 response to an invitation to bid under this subdivision, or that all the 219 bids are in excess of the amount of available funds for the project, the 220 commissioner may negotiate a contract with any of the contractors 221 submitting a bid, or reject the bids received and rebid the project in 222 accordance with this section.

- Sec. 3. Subsection (b) of section 4b-51 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
- 226 (b) No officer, department, institution, board, commission or council 227 of the state government, except the Commissioner of Administrative 228 Services, the Commissioner of Transportation, the Connecticut 229 Marketing Authority, the Department of Agriculture for purposes of 230 the program established pursuant to section 26-237a, the Joint 231 Committee on Legislative Management, the Judicial Branch or a 232 constituent unit of the state system of higher education as authorized 233 in subsection (a) of this section, shall, unless otherwise specifically 234 authorized by law, make or contract for the making of any alteration, 235 repair or addition to any real asset involving an expenditure of more 236 than [five hundred thousand] <u>one million</u> dollars.
- Sec. 4. Section 4e-42 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
- Not later than June 1, 2010, the State Contracting Standards Board shall adopt regulations, in accordance with the provisions of chapter

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54, that require bid security for all competitive sealed bidding for construction contracts in a design-bid-build procurement when the price is estimated by the state contracting agency to exceed [five hundred thousand] one million dollars.

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Sec. 5. Subdivision (2) of subsection (c) of section 10a-109n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(2) (A) Except as provided in subparagraph (B) of this subdivision, any total cost basis contract or other contract for the construction of a university project which is estimated to cost more than five hundred thousand dollars [,] shall be awarded to a contractor that is prequalified pursuant to section 4a-100 and any such contract which is estimated to cost more than one million dollars shall be publicly let by the university. The university shall give notice to contractors interested in prequalifying to submit a project proposal or bid, by advertising, at least once, in one or more newspapers having general circulation in the state and by posting the advertisement on the university web site. The notice to prequalify shall contain the requirement that contractors be pregualified pursuant to section 4a-100, a statement of the time and place where the responses shall be received and such additional information as the university deems appropriate. Upon receipt of such responses, the university shall select each contractor who has been prequalified pursuant to section 4a-100 and has shown itself able to post surety bonds required by such contract and has demonstrated that it possesses the financial, managerial and technical ability and the integrity necessary and without conflict of interest for faithful and efficient performance of the work provided for therein. The university shall evaluate whether each such contractor is responsible and qualified based on its experience with projects similar to that for which the bid or proposal is to be submitted and based on objective written criteria included in the application to request prequalification with respect to such contract. The university shall also consider whether a contractor, and any subcontractor on the contractor's previous projects,

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has been in compliance with the provisions of part III of chapter 557 and chapter 558 during the previous five calendar years.

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(B) Notwithstanding the provisions of subparagraph (A) of this subdivision, the board of trustees may approve a total cost basis contract or other contract for the construction of a university project which is estimated to cost more than [five hundred thousand] one million dollars that has not been publicly let pursuant to the provisions of said subparagraph (A), provided the board deems the contract to address an emergency.

Sec. 6. Section 13b-20n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

With respect to any contract for the construction, reconstruction, alteration, remodeling, repair or demolition of any public building under the supervision and control of the Commissioner of Transportation which contract is estimated to cost more than [five hundred thousand] one million dollars and is not subject to section 4b-51, as amended by this act, the Commissioner of Transportation shall award the contract to the lowest responsible and qualified bidder, as defined in section 4b-92, in accordance with regulations which the commissioner shall adopt, in accordance with chapter 54. Such regulations shall establish, at a minimum: (1) Standards for the advertisement of opportunities to bid, (2) objective criteria for evaluating the qualifications of bidders, (3) the procedures for evaluating bids after the prequalification status of a bidder has been verified, and (4) award panels for the purpose of screening submitted proposals, interviewing bidders and making recommendations to the commissioner. Any contract that is subject to section 4b-51, as amended by this act, shall be awarded by the Commissioner of Administrative Services in accordance with chapter 60.

This act shall take effect as follows and shall amend the following sections:

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Section 1	from passage	4b-52
Sec. 2	from passage	4b-91(a)
Sec. 3	from passage	4b-51(b)
Sec. 4	from passage	4e-42
Sec. 5	from passage	10a-109n(c)(2)
Sec. 6	from passage	13b-20n

Statement of Purpose:

To increase the threshold for construction contracts requiring the approval of the Department of Administrative Services and competitive bidding from five hundred thousand dollars to one million dollars and to require the notification of the Secretary of the Office of Policy and Management for certain construction projects costing one million dollars or more.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

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